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Director of Central Intelligence

FEB 1 1949

Assistant Director, Reports and Estimates

Survey of World Oil Fields

1. It is noted that subject paper has been prepared exclusively from information readily available from commercial sources. This was necessary for the following reasons:

a. The data from commercial sources for 1947 checked reasonably well with what figures we have available from independent confidential sources; these latter, however, are much less complete than those from commercial sources.

b. The data from commercial sources for 1948, except for a very few estimates, constitute all such information presently available to this office. Normally figures covering annual petroleum production, or average daily production for the year, are not released in official form for some months after the close of the year.

c. The data from commercial sources covering proved reserves checked reasonably well with scattered reports available to this office from independent confidential sources.

2. Proved reserves data are a delicate and vague subject. Delicate because the oil companies, operating abroad, usually are reluctant to divulge accurate information to foreign governments and to competitors. This is understandable when it is realized that frequently extensive exploratory surveys and much wildcat drilling, costing millions of dollars, are required to establish reserves with reasonable accuracy. Proved reserves mean little unless the precise basis for their determination is known. American oil companies operating abroad, in general, have the same conception of proved reserves, but foreign oil companies and foreign governments often differ materially in their definition of the various categories of reserves (proved, probably and possible). Proved petroleum reserves for the whole of most foreign countries could probably be obtained direct from the oil companies. It is very doubtful, however, if they would be willing to supply detailed reserves by oil fields.

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THEODORE RABBITT

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FEB 1 1949
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Office Memorandum • UNITED STATES GOVERNMENT

TO : Assistant Director for Reports & Estimates

DATE: 31 January 1949

FROM : Economics Group

SUBJECT: Survey of World Oil Fields

IM-126

1. I believe you will be interested in my comments on the attached tabulation covering world oil fields, production for 1947 and 1948 and proved reserves.

2. You will note that use has been made exclusively of information readily available from commercial sources. This was necessary for the following reasons:

a) The data from commercial sources for 1947 checked reasonably well with what figures we have available from independent confidential sources; these latter, however, are much less complete than those from commercial sources.

b) The data from commercial sources for 1948, except for a very few estimates, constitute all such information presently available to this office. Normally figures covering annual petroleum production, or average daily production for the year, are not released in official form for some months after the close of the year.

c) The data from commercial sources covering proved reserves checked reasonably well with scattered reports available to this office from independent confidential sources.

3. Several months ago the Bureau of Mines undertook to secure from the New York offices of the largest oil companies information covering daily production, refinery throughput, tanker and pipeline transport, etc. for their operations in foreign countries. So far, the project has not materialized. These data, if promptly obtained and conveniently arranged, would have supplied a very good estimate of 1948 world oil production. If the Bureau of Mines is unable to secure the necessary figures consideration should be given to a direct CIA request on the oil companies for the information.

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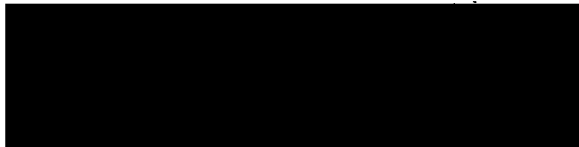
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4. Proved reserves data are a delicate and vague subject. Delicate because the oil companies, operating abroad, usually are reluctant to divulge accurate information to foreign governments and to competitors. This is understandable when it is realized that frequently extensive exploratory surveys and much wildcat drilling, costing millions of dollars, are required to establish reserves with reasonable accuracy. Proved reserves mean little unless the precise basis for their determination is known. American oil companies operating abroad, in general, have the same conception of proved reserves, but foreign oil companies and foreign governments often differ materially in their definition of the various categories of reserves (proved, probably and possible). Proved petroleum reserves for the whole of most foreign countries could probably be obtained direct from the oil companies. It is very doubtful, however, if they would be willing to supply detailed reserves by oil fields.

5. Par. 4 above is in direct substantiation of my recent experience in Venezuela. The oil companies operating there had one stock reply to any question regarding detailed data on reserves--"Please discuss it with our head offices in New York or London".



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Fuels and Power

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